

# **EXHIBIT 29**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

THE STATE OF NEW YORK and THE CITY  
OF NEW YORK,

Plaintiffs,

-v-

UNITED PARCEL SERVICE, INC.,  
Defendant.

15 Civ. 1136 (KBF)

**ECF CASE**

**DECLARATION OF DONALD J. WOODS**

DONALD J. WOODS, under penalty of perjury, declares as follows:

1. I work for UPS as a Director, Customs and Trade Compliance. I have personal knowledge of the facts set forth in this declaration, which I submit as my direct testimony in this case.

**A. Background**

2. I have worked for UPS in various capacities for 31 years. For nearly my entire tenure at UPS, all but my first two years, I have worked in UPS's Customs Brokerage Group, providing service to UPS's customers who ship over international borders, as either importers or exporters of goods. I have served in my current role—Director, Customs and Trade Compliance—for the last five and a half years. Before that, I was a Director, Customs Brokerage Compliance for about 12 years. Before that, from 1994 to 1999, I was an Operations Manager. From 1989-1994, I was a Brokerage Supervisor. And from 1987-89, I was an Import Classification Specialist. I began my career at UPS in 1985 as a Data Processing Clerk.

3. I have a Master's in Business Management from Indiana Wesleyan University. I also earned my B.S. degree in Business Administration from Indiana Wesleyan University.

4. I am also a Licensed Customs Broker, a credential I obtained in 1990. To earn that license, I had to pass an examination administered by U.S. Customs and Border Protection (CBP). Through my license, I am licensed, regulated, and empowered by CBP to assist importers and exporters in meeting federal requirements governing imports and exports. As a Licensed Customs Broker, I can assist UPS's import-export customers in submitting necessary information and appropriate payments to CBP.

5. I currently report to John Van Wallaghen, Vice President, Customs and Trade Compliance. I manage a staff of several managers and a supervisor, Melanie Thompson, Customs and Trade Compliance Supervisor.

**B. UPS's Customs Group**

6. UPS's Customs Brokerage Group provides customs clearance services for customers who send goods overseas or import goods from overseas.

7. In my current role, however, as a Director, Customs and Trade Compliance, my primary responsibilities involve predominantly exports, to ensure that UPS complies with international regulations.

8. UPS's Customs Brokerage Group plays no role in UPS's domestic small package operations. We only handle cross-border shipments and customers who seek services related to such shipments. The Customs Brokerage Group does not review shipments within the United States, nor do we play any role in ensuring UPS's compliance with regulations governing shipments wholly within the United States.

**C. UPS Screening System**

9. UPS uses a Denied Party Screening (DPS) system to identify restricted parties for whom UPS is not permitted to provide service, due to a customer's appearance on a list of prohibited persons or entities, such as lists maintained by the Office of Foreign Assets Control, or other government agencies. UPS's DPS system is currently populated with approximately 80 lists of prohibited persons or entities. Using UPS's DPS system, UPS screens approximately two million records a day. If the system returns a hit on a shipment, UPS will further vet the tendered shipment to ensure that the customer is truly prohibited by a particular government list.

10. UPS does not use a DPS system to screen for domestic shipments. The process was designed for cross-border shipments, to comply with regulations targeting international persons or entities. In 2015, however, UPS began to use the DPS system to screen against all of UPS's approximately 24 million global accounts, including UPS's domestic accounts. That is, although UPS will not use the DPS system to screen against domestic *shipments* (i.e., packages being shipped through UPS's network), UPS will search for existing or new *accounts* that may appear on the same prohibited persons or entities lists.

**D. Receipt of PACT Act Lists**

11. Based on my review of emails produced in this litigation, I understand that UPS's Customs Brokerage Group has received versions of what is called the PACT Act Non-Compliant List over the last several years. UPS's Customs Brokerage group first received the November 10, 2010 List; my colleague Melanie Thompson sent the list to UPS's DPS Team on November 12, 2010. I am attaching an email I received from Ms. Thompson in November 2010 attaching the List as Exhibit DX-061.

12. Ms. Thompson's email does not indicate from which she received the initial PACT Act Non-Compliant List; it merely shows her sending the List to the DPS Team,

informing them that she has added to the DPS system entities named on the PACT Act Non-Compliant List. I do not know exactly how Ms. Thompson first received that PACT Act Non-Compliant List. Nor do I recall how I came to receive some of the subsequent Lists.

13. I recall that at the time, UPS was a member of the Express Association of America. I believe someone in the Department of Justice or the Bureau of Alcohol, Tobacco, Firearms and Explosives contacted Michael Mullen, the Express Association's Director, to identify contacts at various common carriers, and that Mr. Mullen may have given them our names. In fact, some of the PACT Act Lists I received came from Mr. Mullen, rather than directly from the DOJ or the ATF. As an example, I am attaching the List I received on July 26, 2011 as Exhibit DX-104.

14. When we in the Customs Brokerage Group received the PACT Act Non-Compliant Lists, we did not know what the PACT Act was (other than a general understanding that the List was intended to identify tobacco companies), nor did we seek guidance from the Legal Department or UPS's domestic Compliance group about whether UPS needed to comply with the List. Because the number of entities on the list was relatively small, we simply decided to add the List to our DPS screening system, and we did so.

15. As noted, in 2010, when UPS Customs Brokerage originally received the PACT Act Non-Compliant List, our group was not using the DPS system to screen domestic customers. We were only using the DPS system to screen international shipments.

16. Based on my review of my emails concerning the PACT Act Non-Compliant Lists, it appears that the following individuals at UPS also received the Lists: Robin Reynolds, who is currently a Brokerage Operations Manager and was formerly an acting Director of Customs and Trade Compliance; Deborah Lish, Christine Hester, Marisa Miller, who are or were

administrative assistants for the Denied Party Screening team; Steve Hill, formerly with Global Trade Compliance and now a Compliance Manager for SCS; Kenneth Crissinger, Customs and Trade Compliance; and Dana Richardson, Norm Schenk, and Mark Shacklette. All of these individuals play or played some role in UPS's Customs Brokerage Group. I do not believe I ever sent the PACT Act Non-Compliant List to anyone in the Legal Department or Dangerous Goods (or indeed to anyone outside of the Customs Brokerage Group), and I am not aware of anyone else in the Customs Brokerage group having done so, either.

17. In total, I believe I received the following PACT Act Non-Compliant Lists, either from Ms. Thompson, Mr. Mullen, or directly from the DOJ or ATF:

- November 10, 2010
- July 25, 2011
- February 15, 2012
- July 16, 2012
- October 11, 2012
- December 13, 2012
- January 8, 2013
- March 1, 2013
- April 17, 2013

18. I do not recall getting any other PACT Act Non-Compliant Lists. A search of my email records did not uncover evidence that I received any of the following PACT Act Non-Compliant Lists:

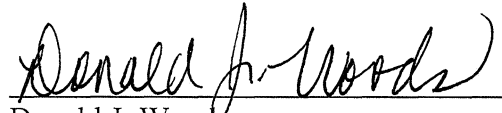
- December 21, 2010
- January 28, 2011

- March 10, 2011
- May 6, 2011
- November 14, 2011
- May 9, 2013

19. UPS's Customs Brokerage Group may have continued to receive the PACT Act Non-Compliant Lists after August 26, 2013, but I understand that in the summer of 2013, UPS decided to voluntarily follow the Non-Compliant List as to domestic package shipments. Consequently, I understand that the Legal Department and UPS's Dangerous Goods group now use the Non-Compliant Lists to vet domestic accounts.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Dated: Seattle, WA  
August 15, 2016

  
Donald J. Woods